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SUBJECT: Canada Likely to Label Plastic Ingredient 'Toxic'  
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1. (SBU) Summary - As early as April 18 Canada may declare the chemical bisphenol A (BPA), widely used in plastics, toxic under the Canadian Environmental Protection Act. This is likely to precipitate additional widespread public concern in both Canada and the United States. We understand that American authorities are also examining the health effects of the chemical, but rapid developments in Canada could lead to divergence between U.S. and Canadian policy in managing the chemical, with significant implications for the massive food, beverage and products trade across our borders. In anticipation of the official announcement, Wal-Mart Canada has pulled many plastic food containers, water bottles and baby products from its shelves. Embassy would appreciate media guidance with respect to U.S. policy on BPA. End summary and Action request.

2. (U) According to knowledgeable observers in Ottawa the Canadian government is ready to declare as "Toxic" the chemical bisphenol A (BPA), widely used to make polycarbonate plastic baby bottles, beverage and food containers. BPA is also used to produce epoxy resin linings in food and beverage cans. The formal announcement, which may come as early as Friday, April 18, is based on a Canadian federal risk assessment of the chemical, which began in late 2006 as part of the government's "Chemicals Management Plan" to review several hundred potentially problematic chemicals in Canada. Canada would be the first country to formally declare BPA a health hazard and sanction constraints on its use.

3. (U) A "Toxic" designation under the Canadian Environmental Protection Act" (CEPA) designation does not automatically mean an immediate outright ban, or even restrictions, on the substance; although restrictions or prohibitions on the use of the chemical in certain products could be a likely end result. Typically a "Toxic" designation under the Canadian Environmental Protection Act" (CEPA) would be followed by a long process (several months at least) of public consultation involving industry, the government and the interested public to develop regulations, guidelines or codes of practice to manage the substance's life cycle from research and development through manufacture, use, storage, transport and ultimate disposal or recycling.

¶4. (U) A sub-category of "Toxic" substances, those which are also bio-accumulative, persistent, and anthropogenic, may be proposed for "Virtual Elimination" (i.e. not allowed above detectable limits). However, Canada's initial characterization of BPA in 2006 suggested it was not considered persistent or bio-accumulative, and is unlikely to meet Canada's "Virtual Elimination" criteria.

¶5. (SBU) Observers note that the high profile public attention given to this chemical over the past year may prompt the government to accelerate the process to develop a management plan for the chemical. Indeed, the government was not scheduled to announce the findings of its BPA review until May, but a leak to the press about the "Toxics" designation on April 14 has forced the government's hand, and the report will now be officially released early.

¶6. (SBU) One well-placed industry observer notes the leak effectively means the government has ceded the political management and timing of the policy response to anti-BPA advocates. In that observer's opinion the government will be forced to react to public demands, much of it fostered by self-interested advocates, for rapid "hard-hitting" action. More broadly, the perceived politicization of the government's "Chemicals Management Plan", he said, will erode the industry's goodwill toward the multi-year chemical reassessment effort.

¶7. (U) The marketplace is reacting with alacrity to the perceived consumer demand for action. Wal-Mart Canada cleared its store shelves on April 16 of all plastic food containers, water bottles, baby bottles, "sippy cups" and pacifiers containing BPA. "Irrespective of the pending science, it's an issue of trust for us, and our customers need to know they can shop with confidence at Wal-Mart, particularly in the baby aisle," said Wal-Mart Canada's

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Director of Corporate Affairs Kevin Groh.

¶8. (U) The federal finding will also likely influence the provinces of Ontario and Quebec who are currently engaged in their own assessment of BPA's health impact.

¶9. (SBU) Action Request: It is worth noting that the leak of the Canadian position coincided with the release of the draft report on BPA from the United States National Toxicology Program, which in its preliminary draft found "some" health impact concerns. Given rapid developments on the issue, and the high public profile this chemical has on both sides of the border, we are conscious of the potential for policy and regulatory divergence between Canada and the United States. Embassy would appreciate internal guidance on U.S. government policy related to BPA and media talking points.

Wilkins